



VODAFONE IDEA LIMITED ( formerly Idea Cellular Limited)

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Audited Consolidated Financial Results for the quarter and year ended 31-March-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Year ended	
	31-March-20 Refer Note 16	31-December-19 Unaudited	31-March-19 Audited	31-March-20 Audited	31-March-19 Audited
<b>INCOME</b>					
Service Revenue	117,343	110,753	117,384	449,123	369,865
Sale of Trading Goods	13	9	22	44	191
Other Operating Income	186	132	344	408	869
<b>REVENUE FROM OPERATIONS</b>	<b>117,542</b>	<b>110,894</b>	<b>117,750</b>	<b>449,575</b>	<b>370,925</b>
Other Income	1,662	2,911	1,566	10,393	7,311
<b>TOTAL INCOME</b>	<b>119,204</b>	<b>113,805</b>	<b>119,316</b>	<b>459,968</b>	<b>378,236</b>
<b>EXPENSES</b>					
Cost of Trading Goods	42	27	60	129	260
Employee Benefit Expenses	3,210	6,111	7,292	21,643	22,944
Network Expenses and IT Outsourcing Costs	25,872	27,254	50,990	109,916	170,052
License Fees and Spectrum Usage Charges	13,394	12,037	12,615	48,482	39,331
Roaming & Access Charges	16,100	16,402	12,496	59,976	41,690
Marketing, Content, Customer Acquisition & Service Costs	9,965	10,261	11,320	40,983	38,446
Finance Costs	41,770	37,222	29,758	153,920	95,425
Depreciation & Amortisation Expenses	60,388	58,774	46,639	243,564	145,356
Other Expenses	5,158	4,597	4,826	19,321	16,975
<b>TOTAL EXPENSES</b>	<b>175,899</b>	<b>172,685</b>	<b>175,996</b>	<b>697,934</b>	<b>570,479</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATE</b>	<b>(56,695)</b>	<b>(58,880)</b>	<b>(56,680)</b>	<b>(237,966)</b>	<b>(192,243)</b>
Add: Share in Profit/(Loss) of Joint Ventures and Associate (net)	678	999	549	3,553	1,968
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(56,017)</b>	<b>(57,881)</b>	<b>(56,131)</b>	<b>(234,413)</b>	<b>(190,275)</b>
Exceptional Items (Net) (Refer Note 8)	(61,409)	(6,333)	(11,458)	(383,557)	8,521
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>(117,426)</b>	<b>(64,214)</b>	<b>(67,589)</b>	<b>(617,970)</b>	<b>(181,754)</b>
<b>Tax expense:</b>					
- Current tax	(4)	(2)	13	4	182
- Deferred tax (Refer Note 6 & 8)	(987)	176	(18,783)	120,807	(35,897)
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>(116,435)</b>	<b>(64,388)</b>	<b>(48,819)</b>	<b>(738,781)</b>	<b>(146,039)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
- Re-measurement gains/ (losses) of defined benefit plans	171	(149)	69	(281)	501
- Income tax effect	(15)	6	(35)	193	(178)
- Group's share in other comprehensive income of joint ventures and associate	2	(1)	2	(2)	5
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(116,277)</b>	<b>(64,532)</b>	<b>(48,783)</b>	<b>(738,871)</b>	<b>(145,711)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,356	287,354	87,356
Other Equity				(227,555)	508,992
Earnings Per Share for the period (₹)					
- Basic	(4.05)	(2.24)	(4.54)	(27.26)	(17.17)
- Diluted	(4.05)	(2.24)	(4.54)	(27.26)	(17.17)
Debt Redemption Reserve				4,408	4,408
Networth				59,799	596,348
<b>Debt Service Coverage Ratio (DSCR) *</b>				0.44	0.44
<b>Interest Service Coverage Ratio (ISCR) **</b>				0.57	0.50
<b>Debt - Equity Ratio ***</b>				19.23	2.11

\* DSCR = [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

\*\* ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

\*\*\* Debt - Equity Ratio = Debt / Equity

## Notes

1. The above audited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30<sup>th</sup> June, 2020.
2. Vodafone India Limited (ViNl) along with its subsidiary Vodafone Mobile Services Limited (VMSL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the consolidated financial results for the year ended 31<sup>st</sup> March, 2019 includes financial results of the operations of erstwhile Vodafone and its subsidiaries for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
3. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1st April, 2019 which replaces the existing standard on leases - Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1st April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter ended 31st March 2020 and year ended 31st March 2020, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year. The adoption has resulted in reduction of the net loss after tax for the year by ₹ 6,402 Mn.

4. A. The Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 delivered its judgment on the cross appeals against the Hon'ble TDSAT judgment dated 23<sup>rd</sup> April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgment). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order. Thereafter, the Company filed an application for modification of the supplementary order before the Hon'ble Supreme Court of India on 20<sup>th</sup> January, 2020, seeking permission to submit an application to Department of Telecom (DoT) to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on 14<sup>th</sup> February, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director/ Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On 16<sup>th</sup> March, 2020, the DoT also filed a modification application with respect to inter alia giving reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value, and to cease the currently applicable interest after a particular date. On 18<sup>th</sup> March, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment/re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court directed that the DoT's modification application would be considered on the next date of hearing.

On 11<sup>th</sup> June 2020, the modification application filed by DoT came up for hearing. The Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On 16<sup>th</sup> June 2020, the Company filed an affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On 18<sup>th</sup> June, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets, for the last 10 years including for the year ending 31<sup>st</sup> March, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. The Company has already made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31<sup>st</sup> March, 2020 towards AGR dues. The matter was directed to be listed in the 3rd week of July.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Group has recognized a total estimated liability of ₹ 460,000 Mn. This is based on the DoT demands (mainly up to the period FY 2016-17 and some beyond), after adjustment for certain computational errors and payments made in the past not considered in DoT demands and, estimates made by the Company for the periods thereafter for which demands have not been received together with interest, penalty and interest on penalty up to 31st March, 2020.

The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20<sup>th</sup> March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books. Accordingly, the net impact of these effects amounting to ₹ 275,143 Mn and ₹ 17,836 Mn has been recognized as Exceptional items during the year and quarter, respectively. The total estimated liability of ₹ 460,000 Mn stands reduced as at 31<sup>st</sup> March, 2020 to the extent of payment (₹ 68,544 Mn) made as mentioned above.

- B. As at 31<sup>st</sup> March, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at 31<sup>st</sup> March, 2019) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31<sup>st</sup> March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in installments and successful negotiations with lenders. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis.

5. Indus Towers Limited, a joint venture of the Company ("JV Company"), in its annual financial statements for the year ended 31<sup>st</sup> March, 2020 reported that the JV Company's two major customers in the telecom services industry impacted by the above SC AGR judgement (refer note 4 above) contributed substantial and material portion of the net sales which resulted in significant and material part of the trade receivables due from these customers. Further, that the loss of significant customer/s or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JV Company. This matter is included in the auditor's report on the annual financial statements of Indus Towers Limited as at 31<sup>st</sup> March, 2020.
6. During the year, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn during the year and disclosed it as exceptional items. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets and derecognized the Deferred Tax Assets amounting to ₹ 121,274 Mn during the year.
7. One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (ViNl) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On 4<sup>th</sup> July, 2019 TDSAT in its judgement quashed the demands levied on erstwhile ViNl and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
  - Allotment after 1<sup>st</sup> July, 2008, OTSC shall be levied from the date of allotment of such spectrum.
  - Allotment before 1<sup>st</sup> July, 2008, OTSC shall be levied from 1<sup>st</sup> January, 2013 till the date of expiry of license.
  - Conditions as stated in para 1 (v) of the impugned order dated 28<sup>th</sup> December, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On 16th March, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on 16th March, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional item during the quarter.

8. Exceptional Items :-

Particulars	Quarter ended			Year ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
Integration and merger related costs	(2,486)	(1,821)	(5,564)	(10,012)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 6 above)	(2,211)	(3,837)	(5,161)	(57,571)	(5,511)
Provision for impairment towards investment in associate	-	-	-	(1,596)	-
Re-assessment of certain estimates and accruals	-	-	(6)	-	7,893
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	33,473
License fees and SUC on AGR (Refer Note 4(A) above)	(17,836)	(528)	-	(275,143)	-
One Time Spectrum Charges (refer note 7 above)	(38,871)	-	-	(38,871)	-
Others	(5)	(147)	(727)	(364)	(727)
<b>Total</b>	<b>(61,409)</b>	<b>(6,333)</b>	<b>(11,458)</b>	<b>(383,557)</b>	<b>8,521</b>
<b>Deferred tax impact</b>	-	-	3,210	-	(4,727)

9. The Group operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

10. Financial results of Vodafone Idea Limited (Standalone) :-

Particulars	Quarter ended			Year ended	
	31-March-20 Refer Note 16	31-December-19 Unaudited	31-March-19 Audited	31-March-20 Audited	31-March-19 Audited
Revenue from Operations	116,719	110,298	117,149	447,150	368,595
Profit/(Loss) before Tax	(119,488)	(64,174)	(68,128)	(622,867)	(176,915)
Net Profit/(Loss) after Tax	(119,488)	(64,175)	(49,265)	(731,315)	(140,553)

11. Details required with regards to the listed unsecured NCD's are as follows:

SL No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	4-Jan-20	4-Jan-22	4-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	1-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	3-Sep-19	3-Sep-23	3-Sep-20

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BBB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (Sl. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR BBB-" with (Outlook: Under Rating Watch with Negative Implications).

## 12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>		
<b>1 Non-current Assets</b>		
Property, plant and equipment (including RoU Assets)	663,113	502,526
Capital work-in-progress	10,415	23,587
Investment property	660	672
Goodwill on consolidation	-	36
Other Intangible assets	1,194,592	1,274,767
Intangible assets under development	966	27,443
Investments accounted for using the equity method	15,244	15,298
Financial assets		
Long term loans to employees	2	8
Other non-current financial assets	82,457	10,362
Deferred tax assets (net)	20	103,385
Other non-current assets	134,866	155,099
<b>Sub-total non-current assets</b>	<b>2,102,335</b>	<b>2,113,183</b>
<b>2 Current Assets</b>		
Inventories	25	42
Financial assets		
Current investments	4,548	67,088
Trade receivables	30,943	33,000
Cash and cash equivalents	3,708	8,428
Bank balance other than cash and cash equivalents	22,922	1,480
Short term Loans	9	19
Other current financial assets	23,033	680
Other current assets	81,673	71,260
	<b>166,861</b>	<b>181,997</b>
Assets classified as held for sale (AHFS)	-	1,815
<b>Sub-total current assets</b>	<b>166,861</b>	<b>183,812</b>
<b>TOTAL – ASSETS</b>	<b>2,269,196</b>	<b>2,296,995</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	287,354	87,356
Other equity	(227,555)	508,992
<b>Sub-total equity</b>	<b>59,799</b>	<b>596,348</b>
<b>2 Non-Current Liabilities</b>		
Financial liabilities		
Long term borrowings	962,804	1,044,029
Trade payables	6,660	8,680
Other non-current financial liabilities	274,073	97,381
Long term provisions	3,421	3,467
Deferred tax liabilities (net)	38	471
Other non-current liabilities	4,611	4,235
<b>Sub-total non-current liabilities</b>	<b>1,251,607</b>	<b>1,158,263</b>
<b>3 Current Liabilities</b>		
Financial liabilities		
Short term borrowings	322	41,207
Trade payables	117,634	126,486
Other current financial liabilities (Includes amounts reclassified from long term borrowings (refer note 4B))	377,135	303,946
Other current liabilities	462,206	69,499
Short term provisions	493	379
	<b>957,790</b>	<b>541,517</b>
Liabilities classified as held for sale	-	867
<b>Sub-total current liabilities</b>	<b>957,790</b>	<b>542,384</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>2,269,196</b>	<b>2,296,995</b>

## 13. Statement of Cash Flows: -

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Operating activities</b>		
<b>Profit/(Loss) before tax</b>	(617,970)	(181,754)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Share in (profit)/loss of joint ventures and associate (net)	(3,553)	(1,968)
Depreciation of property, plant and equipment (including RoU Assets) and investment property	152,080	77,984
Amortisation of intangible assets	91,484	67,372
Share-based payment expense (ESOS)	(102)	246
(Gain)/loss on disposal of property, plant and equipment and intangible assets (net)	26	(91)
Accelerated depreciation on account of network re-alignment	57,571	5,511
License fees and SUC on AGR	275,143	-
One Time Spectrum Charges	38,871	-
Impairment of investment in associates	1,596	-
Finance costs (including fair value change in financial instruments)	153,920	95,425
Provision for gratuity and compensated absences	(285)	(672)
Bad debts / advances written off	5,332	28
Allowance for doubtful debts / advances	(1,960)	2,301
Liabilities / provisions no longer required written back	(229)	(652)
Gain on sale of Subsidiary and profit before tax upto date of sale	-	(33,766)
Other income	(10,258)	(7,311)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(807)	3,506
Decrease in inventories	17	361
(Increase) in other financial and non-financial assets	(28,067)	(3,666)
(Decrease)/Increase in trade payables	(11,012)	40,872
(Decrease) in other financial and non-financial liabilities	(52,586)	(13,043)
<b>Cash flows from operating activities</b>	49,211	50,683
Income tax refund (including TDS) (net)	24,064	2,795
<b>Net cash flows from operating activities</b>	<b>73,275</b>	<b>53,478</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(79,662)	(76,519)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,651	659
Proceeds from sale of subsidiary	-	42,303
Investment in associate	-	(571)
Net sale/(purchase) of current investments	65,423	(3,731)
Interest received	5,172	344
Fixed deposits with banks having maturity of 3 to 12 months	(16,504)	-
Dividend received from joint venture (Indus)	-	2,990
<b>Net cash flows used in investing activities</b>	<b>(27,898)</b>	<b>(73,788)</b>
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn)	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company	-	(83)
Payment of interest and finance charges	(152,585)	(50,711)
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	33,916	33,712
Repayment of short term borrowings	(74,225)	(58,053)
Payment of lease liabilities	(65,940)	-
<b>Net cash flows from / (used in) financing activities</b>	<b>(50,187)</b>	<b>(29,494)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(4,810)</b>	<b>(49,804)</b>
Cash and cash equivalents at the beginning of the year	7,558	(24)
Add: Cash and cash equivalent of VinL and its subsidiaries on amalgamation of VMSL and VinL with the Company (net of bank overdraft ₹ Nil Mn (March 31, 2019: ₹ 5,991Mn))	-	58,307
Add/(Less): Cash and cash equivalents of VMPL	921	(921)
<b>Cash and cash equivalents at the end of the year</b>	<b>3,669</b>	<b>7,558</b>

14. Subsequent to the balance sheet date, the Company has pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.
15. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24<sup>th</sup> March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).
16. The consolidated financial results for the quarter ended 31<sup>st</sup> March, 2020 are balancing figures between audited results for the full financial year ended 31<sup>st</sup> March, 2020 and published year to date figures up to 31<sup>st</sup> December, 2019.
17. Consolidated financial results for the year ended 31<sup>st</sup> March, 2020 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 30<sup>th</sup> June, 2020**

**Place: London**

**Managing Director & Chief Executive Officer**





VODAFONE IDEA LIMITED (formerly Idea Cellular Limited)

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

Audited Financial Results for the quarter and year ended 31-March-2020

(₹ Mn, except per share data)

Particulars	Quarter ended			Year Ended	
	31-March-20 Refer Note 16	31-December-19 Unaudited	31-March-19 Audited	31-March-20 Audited	31-March-19 Audited
<b>INCOME</b>					
Service Revenue	116,646	110,165	116,759	446,827	367,668
Sale of trading goods	-	-	1	3	6
Other Operating Income	73	133	389	320	921
<b>REVENUE FROM OPERATIONS</b>	<b>116,719</b>	<b>110,298</b>	<b>117,149</b>	<b>447,150</b>	<b>368,595</b>
Other Income	1,620	3,114	1,760	10,861	10,747
<b>TOTAL INCOME</b>	<b>118,339</b>	<b>113,412</b>	<b>118,909</b>	<b>458,011</b>	<b>379,342</b>
<b>EXPENSES</b>					
Cost of Trading Goods	-	-	3	3	36
Employee Benefit Expenses	2,793	5,671	6,799	19,726	21,214
Network Expenses and IT Outsourcing Costs	26,030	27,422	50,626	109,849	169,259
License Fees and Spectrum Usage Charges	13,495	12,000	12,578	48,476	39,243
Roaming & Access Charges	16,100	16,402	12,496	59,976	41,690
Marketing, Content, Customer Acquisition & Service Costs	10,147	10,462	11,332	41,593	38,928
Finance Costs	41,732	37,171	29,829	153,772	95,510
Depreciation & Amortisation Expenses	58,479	56,926	46,159	238,888	144,098
Other Expenses	5,294	5,223	5,513	21,353	18,646
<b>TOTAL EXPENSES</b>	<b>174,070</b>	<b>171,277</b>	<b>175,335</b>	<b>693,636</b>	<b>568,624</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(55,731)</b>	<b>(57,865)</b>	<b>(56,426)</b>	<b>(235,625)</b>	<b>(189,282)</b>
Exceptional Items (net) (Refer Note 8)	(63,757)	(6,309)	(11,702)	(387,242)	12,367
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(119,488)</b>	<b>(64,174)</b>	<b>(68,128)</b>	<b>(622,867)</b>	<b>(176,915)</b>
<b>Tax expense:</b>					
- Current tax	-	-	-	-	1
- Deferred tax (Refer Note 5 & 8)	-	1	(18,863)	108,448	(36,363)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(119,488)</b>	<b>(64,175)</b>	<b>(49,265)</b>	<b>(731,315)</b>	<b>(140,553)</b>
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>					
- Equity instrument through other comprehensive gains/(losses)	(4,417)	(198)	11,935	(19,403)	(4,621)
- Income tax effect on equity instrument through other comprehensive gains/(losses)	-	-	(2,932)	1,229	1,076
- Re-measurement gains/ (losses) of defined benefit plans	119	(124)	104	(253)	534
- Income tax effect on re-measurement gains/ (losses) of defined benefit plans	-	-	(45)	185	(187)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(123,786)</b>	<b>(64,497)</b>	<b>(40,203)</b>	<b>(749,557)</b>	<b>(143,751)</b>
Paid up Equity Share Capital (Face value ₹ 10 per share)	287,354	287,354	87,356	287,354	87,356
Other Equity				(197,341)	547,848
Earnings/(Loss) Per Share for the period (₹)					
- Basic	(4.16)	(2.23)	(4.58)	(26.97)	(16.49)
- Diluted	(4.16)	(2.23)	(4.58)	(26.97)	(16.49)
Debt				4,408	4,408
Equity				90,013	635,204
<b>Debt Service Coverage Ratio (DSCR) *</b>				0.40	0.44
<b>Interest Service Coverage Ratio (ISCR) **</b>				0.53	0.50
<b>Debt - Equity Ratio ***</b>				12.79	1.98

\* DSCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised + scheduled long term principal repayments(excluding prepayments)]

\*\* ISCR= [Profit/(loss) before exceptional items and tax + Depreciation & Amortisation expenses (excluding depreciation on ROU assets) + Finance costs (excluding fair value gains/losses on derivatives and interest on lease liabilities)] / [Finance costs (excluding fair value gains/losses on derivatives and interest on lease liability) + interest capitalised]

\*\*\* Debt - Equity Ratio = Debt / Equity



## Notes

1. The above audited financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 30<sup>th</sup> June, 2020.
2. Vodafone India Limited (VInL) along with its subsidiary Vodafone Mobile Services Limited (VMsL) (hereinafter collectively referred as "erstwhile Vodafone") have merged into Idea Cellular Limited (ICL) on 31<sup>st</sup> August, 2018 (Effective Date). This resulted in the formation of a Joint Venture between the promoter Groups i.e. Aditya Birla Group and Vodafone Group and change of name from ICL to Vodafone Idea Limited (VIL). Accordingly, the financial results for the year ended 31<sup>st</sup> March, 2019 includes financial results of the operations of erstwhile Vodafone for the period from 31<sup>st</sup> August, 2018 to 31<sup>st</sup> March, 2019.
3. The Company has adopted Ind AS 116, 'Leases', effective annual reporting period beginning 1<sup>st</sup> April, 2019 which replaces the existing standard on leases – Ind AS 17, 'Leases' and introduces a single, on-balance sheet lease accounting model for lessee. In accordance with the first time adoption options available in the standard, the Company has applied the standard using modified retrospective approach, with the cumulative effect of initially applying the Standard recognised as an adjustment to the opening balance of retained earnings as on the date of adoption i.e. 1<sup>st</sup> April, 2019. Accordingly, the Company has not restated comparative information which continues to be reported under Ind AS 17, 'Leases'.

Accordingly, in the Statement of profit and loss for the quarter ended 31<sup>st</sup> March, 2020 and year ended 31<sup>st</sup> March, 2020, the nature of expenses in respect of operating leases has changed from rentals in corresponding periods in previous financial year to depreciation on the right-of-use asset and finance cost for interest accrued on lease liability in the current financial year. The adoption has resulted in reduction of the net loss after tax for the year by ₹ 6,413 Mn.

4. A. The Hon'ble Supreme Court on 24<sup>th</sup> October, 2019 delivered its judgement on the cross appeals against the Hon'ble TDSAT judgement dated 23<sup>rd</sup> April, 2015, relating to the definition of Adjusted Gross Revenue (AGR Judgement). The order upheld the principal demand, levy of interest, penalty and interest on penalty. Further, the Hon'ble Supreme Court directed vide the supplementary order of the same date, the payment of the entire AGR dues to be made within 3 months from the date of the order. Thereafter, the Company filed an application for modification of the supplementary order before the Hon'ble Supreme Court of India on 20<sup>th</sup> January, 2020, seeking permission to submit an application to Department of Telecom (DoT) to decide upon the schedule of payment of AGR dues.

The matter came up for hearing on 14<sup>th</sup> February, 2020 when the Hon'ble Supreme Court issued notices to the Managing Director / Directors of all Telecom Service Providers (TSPs) in view of the non-payment of AGR dues pursuant to the AGR Judgement. The Company has filed a detailed affidavit placing on record the financial position of the Company as also a detailed reply to place on record as to why the Company was unable to make the payments.

On 16<sup>th</sup> March, 2020, the DoT also filed a modification application with respect to inter alia giving reasonable time to the TSPs, considering staggered payments with interest to duly protect the net present value, and to cease the currently applicable interest after a particular date. On 18<sup>th</sup> March, 2020, the Hon'ble Supreme Court heard the matters and inter alia ordered that no exercise of self-assessment/re-assessment is to be done and the AGR dues which were placed before the Hon'ble Supreme Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court directed that the DoT's modification application would be considered on the next date of hearing.

On 11<sup>th</sup> June, 2020, the modification application filed by DoT came up for hearing. The Hon'ble Supreme Court directed the TSPs to file their proposals, within 5 days, as to the time frame required by the TSPs to make the payment and what kind of securities, undertakings and guarantees should be furnished to ensure that the AGR dues are paid. On 16<sup>th</sup> June, 2020, the Company filed an affidavit before the Hon'ble Supreme Court inter alia supporting the DoT's proposal that 20 years' timeframe be granted to make the payments of AGR dues. On 18<sup>th</sup> June, 2020, Hon'ble Supreme Court inter alia considered the affidavit filed by the Company and other TSPs and directed all the TSPs to: (i) file audited Balance Sheets for the last 10 years including for the year ending 31<sup>st</sup> March, 2020; (ii) Income Tax Returns and the particulars of AGR deposited during the last 10 years; and (iii) to make payments of reasonable amount also to show bonafide, before the next date of hearing. The Company has already made payments of ₹ 68,544 Mn in three instalments during the quarter ended 31<sup>st</sup> March, 2020 towards AGR dues. The matter was directed to be listed in the 3<sup>rd</sup> week of July.

The DoT in its modification application has provided a statement of preliminary assessed AGR dues for an amount of ₹ 582,540 Mn including the principal, interest, penalty and interest on penalty up to FY 2016-17. The Company has recognized a total estimated liability of ₹ 459,607 Mn. This is based on the DoT demands (mainly up to the period FY 2016-17 and some beyond) after adjustment for certain computational errors and payments made in the past not considered in DoT demands and estimates made by the Company for the periods thereafter for which

demands have not been received together with interest, penalty and interest on penalty up to 31<sup>st</sup> March, 2020. The total estimated liability is offset by consequential adjustments on satisfaction of contractual conditions under a mechanism as per the Implementation Agreement dated 20<sup>th</sup> March, 2017 entered on merger of erstwhile Vodafone and ICL in relation to the crystallization of certain contingent liabilities which existed at the time of merger in the books. Accordingly, the net impact of these effects amounting to ₹ 274,886 Mn and ₹ 17,579 Mn has been recognized as Exceptional items during the year and quarter, respectively. The total estimated liability of ₹ 459,607 Mn stands reduced as at 31<sup>st</sup> March, 2020 to the extent of payment (₹ 68,544 Mn) made as mentioned above.

- B. As at 31<sup>st</sup> March, 2020, the Company has classified ₹ 142,757 Mn (includes ₹ 95,972 Mn reclassified as at 31<sup>st</sup> March, 2019) from non-current borrowings to current maturities of long-term debt for not meeting certain covenant clauses under the financial agreements for specified financial ratios as at 31<sup>st</sup> March, 2020. The Company had exchanged correspondences/been in discussions with these lenders for the next steps/waivers. During the year, the credit rating of certain borrowings have been revised to BB-. As a result, certain lenders have asked for increase of interest rates, for which the Company is in discussion with such lenders. Further, guarantees amounting to ₹ 128,448 Mn are due to expire during the next twelve months.

The above factors indicate that material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern and its ability to generate the cash flow that it needs to settle/refinance its liabilities and guarantees as they fall due. The Company's ability to continue as a going concern is essentially dependent on a positive outcome of the application before the Hon'ble Supreme Court for the payment in installments and successful negotiations with lenders. Pending the outcome of the above matters, these financial results have been prepared on a going concern basis.

5. During the year, the Company has revised its business plan, basis which the Company is in the process of re-farming its 3G spectrum for 4G services along with its Network integration / alignment. Consequently, certain assets capitalised earlier may no longer be usable. Accordingly, the Company has taken an accelerated depreciation charge of ₹ 40,320 Mn during the year and disclosed it as exceptional items. Further, in line with the above and the matters discussed in Note 4, the Company had reassessed the recoverability of deferred tax assets and derecognized the Deferred Tax Assets amounting to ₹ 108,448 Mn during the year.
6. One Time Spectrum Charges (Beyond 4.4 MHz):

During the financial year 2012-13, DoT had issued demand notices towards one time spectrum charges (hereinafter referred to as "OTSC"). The demands on the Company i.e. formerly Idea Cellular Limited have been challenged by way of writ petition before the Bombay High Court (BHC). The erstwhile Vodafone India Limited (ViNL) and erstwhile Vodafone Mobile Services Limited (VMSL) had challenged the demands before the TDSAT. The grounds taken before BHC and TDSAT were different though.

On 4<sup>th</sup> July, 2019 TDSAT in its judgement quashed the demands levied on erstwhile ViNL and VMSL and inter alia held that:

- For spectrum up to 6.2 MHz, OTSC is not chargeable and accordingly demand set aside.
- For spectrum beyond 6.2 MHz,
  - Allotment after 1<sup>st</sup> July, 2008, OTSC shall be levied from the date of allotment of such spectrum.
  - Allotment before 1<sup>st</sup> July, 2008, OTSC shall be levied from 1<sup>st</sup> January, 2013 till the date of expiry of license.
  - Conditions as stated in para 1 (v) of the impugned order dated 28<sup>th</sup> December, 2012 (given hereunder) is arbitrary and illegal and is accordingly set aside, i.e. Upfront charges in the case of spectrum holding in multiple bands (900 MHz and 1800 MHz), spectrum in 1800 MHz band will be accounted for first, towards the limit of 4.4 MHz was held to be arbitrary and illegal and accordingly set aside.

Thereafter VIL filed an appeal before the Hon'ble Supreme Court against the TDSAT judgement. On 16<sup>th</sup> March, 2020, Hon'ble Supreme Court dismissed the petition filed by the Company challenging the levy of OTSC beyond 6.2 MHz. Following the dismissal of the Company's appeal by the Hon'ble Supreme Court on 16<sup>th</sup> March, 2020, the Company is yet to receive any demand from DoT in line with the TDSAT order. VIL proceedings before the BHC in respect of Idea Cellular Limited remains pending. DoT has also preferred an appeal against the TDSAT impugned judgement.

The Company, on prudence basis, has recognized a charge for spectrum holding beyond 6.2 Mhz in line with the TDSAT order. The amount has been calculated basis the demand computation that was raised by DoT in July 2018 for Bank Guarantees to be given for OTSC in line with the M&A guidelines at the time of merger. Accordingly, an amount of ₹ 38,871 Mn has been recognised as exceptional item during the quarter.

7. The Company operates only in one reportable segment i.e. Mobility and hence no separate disclosure is required for Segments.

8. Exceptional Items: -

Particulars	Quarter ended			Year Ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
Integration and merger related costs	(2,486)	(1,807)	(5,301)	(9,855)	(26,607)
Provision for additional depreciation / impairment of assets (including amount referred in Note 5 above)	(2,191)	(3,837)	(5,239)	(57,269)	(5,589)
Provision for impairment towards its loan receivable/investment in subsidiaries / associate	(2,630)	-	-	(6,224)	-
Re-assessment of certain estimates and accruals	-	-	(435)	-	7,646
Gain on sale of Idea Cellular Infrastructure Services Limited (ICISL)	-	-	-	-	37,644
License fees and SUC on AGR (Refer Note 4(A) above)	(17,579)	(528)	-	(274,886)	-
One Time Spectrum Charges (Refer Note 6 above)	(38,871)	-	-	(38,871)	-
Others	-	(137)	(727)	(137)	(727)
<b>Total</b>	<b>(63,757)</b>	<b>(6,309)</b>	<b>(11,702)</b>	<b>(387,242)</b>	<b>12,367</b>
<b>Deferred tax impact</b>	-	-	3,323	-	(6,077)

9. On 13<sup>th</sup> August, 2019, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Vodafone India Digital Limited (VIDL) and Idea Telesystems Limited (ITL), with the Company with an appointed date of 1<sup>st</sup> April, 2019. During the quarter, the Company has received the requisite regulatory approvals and the merger became effective on 1<sup>st</sup> March, 2020 on filing the certified copies of the orders sanctioning the scheme with the Registrar of Companies (RoC). This transaction has been accounted as per Ind AS 103 using the pooling of interest method and maintaining the identity of the reserves as those appeared in the standalone financial statements of VIDL and ITL.

The Company has accounted for this merger under the "pooling of interest" method for common control transactions as per the guidance in Ind AS 103 "Business Combinations". Further, in accordance with Ind AS 103 'Business Combinations', the Company has restated the figures for all the past periods presented in these financial results. Accordingly, (i) Other Equity of the Company as on 31<sup>st</sup> March, 2019 has increased by ₹ 159 Mn and (ii) the following effects upto 29<sup>th</sup> February, 2020 pertaining to ITL and VIDL has been reflected as income and expenses for the Company.

Particulars	Quarter ended			Year Ended	
	31-March-20	31-December-19	31-March-19	31-March-20	31-March-19
Income	1	3	6	14	21
Expenses	(2)	(1)	3	(2)	14
Profit/(Loss) before tax	3	4	3	16	7
Current and deferred tax	-	1	-	4	-
Profit/(Loss) after tax	3	3	3	12	7
Other comprehensive income (net of tax)	-	-	-	-	-
<b>Total comprehensive income</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>7</b>

10. The Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the Company and its wholly owned subsidiary Vodafone Idea Telecom Infrastructure Limited (VITIL) (Formerly known as Vodafone Towers Limited) for transfer of Fiber Infrastructure undertaking to VITIL on an as is basis has been approved by the National Company Law Tribunal, Ahmedabad bench (NCLT) vide its order dated 18<sup>th</sup> September, 2019. On filing of the said order with the Registrar of Companies (RoC) on 15<sup>th</sup> October, 2019, the Scheme has become effective with an appointed date of 1<sup>st</sup> October, 2019.

Pursuant to the above, the Company has de-recognized the fiber assets and liabilities from the appointed date and has recognized the net amount as receivable from VITIL amounting to ₹ 46,579 Mn.

11. Details required with regards to the listed unsecured NCD's are as follows:

Sl. No.	Particulars	Principal Amount	Previous Due Date		Next Due Date	
		(₹ Mn)	Principal	Interest	Principal	Interest
1	Unsecured 7.57% NCD's	15,000	N.A	13-Dec-19	13-Dec-21	14-Dec-20
2	Unsecured 7.77% NCD's	10,000	N.A	04-Jan-20	04-Jan-22	04-Jan-21
3	Unsecured 7.77% NCD's	5,000	N.A	17-Jan-20	17-Jan-22	18-Jan-21
4	Unsecured 8.04% NCD's	20,000	N.A	27-Jan-20	27-Jan-22	27-Jan-21
5	Unsecured 8.03% NCD's	5,000	N.A	31-Jan-20	31-Jan-22	01-Feb-21
6	Unsecured 8.03% NCD's	5,000	N.A	14-Feb-20	14-Feb-22	15-Feb-21
7	Unsecured 10.90% NCD's	15,000	N.A	03-Sep-19	03-Sep-23	03-Sep-20

Interest has been paid on the respective due dates and the principal is not yet due.

The NCD's listed above have currently been rated "CARE BB-" with (Outlook: Under Credit Watch with Negative Implications) by CARE. The previous rating was "CARE BBB-" with (Outlook: Under Credit Watch with Negative Implications). Additionally, its 7.57% NCD (Sl. No.1); 7.77% NCD (Sl. No.3) and 8.03% NCD (Sl. No. 5) issues have been rated as "BWR BB-" with (Outlook: Under Rating Watch with Negative Implications) by Brickworks. The previous rating from Brickworks was "BWR BBB-" with (Outlook: Under Rating Watch with Negative Implications).

## 12. Statement of Assets and Liabilities: -

₹ Mn

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
Property, plant and equipment (including RoU Assets)	607,052	493,417
Capital work-in-progress	8,598	23,325
Intangible assets	1,193,533	1,273,203
Intangible assets under development	966	27,443
Financial assets		
Non-current investments	45,040	66,581
Long term loans to employees	2	8
Other non-current financial assets	82,309	10,277
Deferred tax assets (net)	-	89,353
Other non-current assets	133,161	154,040
<b>Sub-total non-current assets</b>	<b>2,070,661</b>	<b>2,137,647</b>
<b>2 Current assets</b>		
Inventories (Datacards)	-	3
Financial assets		
Current investments	4,548	67,088
Trade receivables	29,191	33,081
Cash and cash equivalents	3,223	6,763
Bank balance other than cash and cash equivalents	22,115	1,085
Loans to subsidiaries, joint venture and others	8,421	13,396
Other current financial assets	69,628	720
Other current assets	81,076	70,930
<b>Sub-total current assets</b>	<b>218,202</b>	<b>193,066</b>
<b>TOTAL – ASSETS</b>	<b>2,288,863</b>	<b>2,330,713</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	287,354	87,356
Other equity	(197,341)	547,848
<b>Sub-total equity</b>	<b>90,013</b>	<b>635,204</b>
<b>2 Non-current liabilities</b>		
Financial liabilities		
Long term borrowings	962,804	1,044,029
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,656	8,678
Other non-current financial liabilities	273,904	97,383
Long term provisions	3,293	3,392
Other non-current liabilities	1,224	4,235
<b>Sub-total non-current liabilities</b>	<b>1,247,881</b>	<b>1,157,717</b>
<b>3 Current liabilities</b>		
Financial liabilities		
Short term borrowings	1,542	41,207
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	102	178
Total outstanding dues of creditors other than micro enterprises and small enterprises	114,702	126,574
Other current financial liabilities (Includes amounts reclassified from long term borrowings) (Refer Note 4(B))	373,696	300,627
Other current liabilities	460,464	68,835
Short term provisions	463	371
<b>Sub-total current liabilities</b>	<b>950,969</b>	<b>537,792</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>2,288,863</b>	<b>2,330,713</b>

## 13. Statement of Cash Flows: -

₹ Mn

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Operating activities</b>		
<b>Loss before tax</b>	(622,867)	(176,915)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment (including RoU assets)	147,902	77,074
Amortisation of intangible assets	90,986	67,024
Share-based payment expense (ESOS)	(95)	242
Gain on disposal of property, plant and equipment and intangible assets (net)	-	(86)
Accelerated depreciation on account of network re-alignment	57,269	5,589
License fees and SUC on AGR	274,886	-
One Time Spectrum Charges	38,871	-
Provision for impairment towards its loan receivable/investment in subsidiaries/associate	6,224	-
Finance costs (including fair value change in financial instruments)	153,772	95,510
Provision for gratuity and compensated absences	(286)	(674)
Bad debts/advances written off	5,274	28
Allowance for doubtful debts / advances	(2,187)	2,278
Liabilities/provisions no longer required written back	(109)	(580)
Gain on sale of subsidiary	-	(37,644)
Other income	(10,861)	(10,747)
<b>Working capital adjustments</b>		
(Increase)/Decrease in trade receivables	(665)	3,270
Decrease in inventories	3	364
(Increase) in other financial and non-financial assets	(28,788)	(4,348)
(Decrease)/Increase in trade payables	(12,194)	42,106
(Decrease) in other financial and non-financial liabilities	(52,559)	(11,422)
<b>Cash flows from operating activities</b>	44,576	51,069
Income tax refund (including TDS) (net)	24,634	1,815
<b>Net cash flows from operating activities</b>	<b>69,210</b>	<b>52,884</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including CWIP and intangible assets under development)	(76,510)	(76,369)
Payment towards deferred spectrum liability	(3,978)	-
Payment towards -one time spectrum charges	-	(39,263)
Proceeds from sale of property, plant and equipment and intangible assets	1,700	576
Proceeds from sale of subsidiary	-	42,303
Additional investment in subsidiaries and associate (including advance given for purchase of shares)	(650)	(860)
Net sale/(purchase) of current investments	65,423	(3,760)
Loans given to subsidiary	(155)	-
Repayment of loan given to subsidiary	1,684	-
Interest received	5,833	1,292
Fixed deposits with banks having maturity of 3 to 12 months	(16,500)	-
Dividend received from joint venture (Indus)	-	2,990
<b>Net cash flows used in investing activities</b>	<b>(23,153)</b>	<b>(73,091)</b>
<b>Financing activities</b>		
Proceeds from issue of equity shares on exercise of share options	-	1
Proceeds from allotment of equity shares under Rights Issue (net of share issue expenses of ₹ 834 Mn)	249,164	-
Stamp duty on issue of shares on amalgamation of VMSL and VinL with the Company	-	(83)
Payment of interest and finance charges	(152,508)	(50,793)
Payment of lease liabilities	(65,816)	-
Proceeds from long term borrowings	-	58,072
Repayment of long term borrowings	(40,517)	(12,432)
Proceeds from short term borrowings	35,136	33,712
Repayment of short term borrowings	(74,225)	(57,603)
<b>Net cash flows used in financing activities</b>	<b>(48,766)</b>	<b>(29,126)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(2,709)</b>	<b>(49,333)</b>
Cash and cash equivalents at the beginning of the year	5,893	(27)
Add: Cash and cash equivalent on amalgamation of VMSL and VinL with the Company (net of bank overdraft Nil (March 31, 2019: ₹ 5,991 Mn))	-	55,249
Add: Pursuant to merger of Vodafone India Digital Limited	-	4
<b>Cash and cash equivalents at the end of the year</b>	<b>3,184</b>	<b>5,893</b>

14. Subsequent to the balance sheet date, the Company has pledged equity shares of Indus held by the Company as security against certain non-fund based facilities in the nature of bank guarantees of ₹ 19,350 Mn with an option to get the pledge released by providing alternate security. Such pledge is executed by the Company as first ranking exclusive charge in favour of Security trustee for the benefit of the lender and its successor.
15. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The Ministry of Home Affairs vide order No.40-3/2020 dated 24<sup>th</sup> March, 2020 notified telecommunication services amongst the essential services which continued to operate during the lockdown period. While in the initial period of lockdown, the customer's ability to recharge, availability of physical recharge, acquisition of new customers as well as network rollout were somewhat adversely impacted, the services to our customers continued without any material disruption. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).
16. The financial results for the quarter ended 31<sup>st</sup> March, 2020 are balancing figures between audited results for the full financial year ended 31<sup>st</sup> March, 2020 and published year to date figures up to 31<sup>st</sup> December, 2019.
17. Financial results for the year ended 31<sup>st</sup> March, 2020 are not comparable to those reported for the same period of the preceding year due to the facts mentioned in notes 2 and 3 above. Previous periods figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of

**VODAFONE IDEA LIMITED**

**Date: 30<sup>th</sup> June, 2020**

**Place: London**

**Managing Director & Chief Executive Officer**